

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.

Debtors.

Chapter 11

Case No. 01-1139 (JKF)

Objection Deadline: March 16, 2007 at 4:00 p.m.

Hearing: April 2, 2007 at 2:00 p.m.

**COVER SHEET TO THIRD QUARTERLY APPLICATION OF
ORRICK, HERRINGTON & SUTCLIFFE LLP, BANKRUPTCY COUNSEL
TO DAVID T. AUSTERN, FUTURE CLAIMANTS' REPRESENTATIVE FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
JULY 1, 2006 THROUGH SEPTEMBER 30, 2006**

Name of Applicant:

Orrick, Herrington & Sutcliffe LLP

Authorized to Provide Professional
Services to:

David T. Austern, Future Claimants' Representative
(the "FCR")

Date of Retention:

As of February 6, 2006 (pursuant to this Court's
Order entered May 8, 2006)

Period for which compensation is
sought:

July 1, 2006 through September 30, 2006

Amount of Compensation (100%) sought
as actual, reasonable, and necessary:

\$558,019.75

Amount of Expense Reimbursement sought
as actual, reasonable and necessary:

\$ 25,651.67

This is an: X interim monthly final application.

PRIOR APPLICATIONS FILED

Orrick was retained effective February 6, 2006, pursuant to this Court's Order entered May 8, 2006. Orrick has previously filed the following quarterly fee applications:

- a. First Quarterly Fee Application for the time period February 6, 2006 through March 31, 2006 in the amount of \$206,292.25 in fees and \$7,501.32 in expenses, for a total of \$213,793.57.
- b. Second Quarterly Fee Application for the time period April 1, 2006 through June 30, 2006 in the amount of \$456,045.25 in fees and \$14,568.92 in expenses, for a total of \$470,614.17.

COMPENSATION SUMMARY
JULY 1, 2006 THROUGH SEPTEMBER 30, 2006

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
William D. Berry	Partner, 7 years in position; 34 years relevant experience; 1972, Employee Benefits	\$620	.50	\$310.00
Stephen G. Foresta	Partner, 8 years in position; 17 years relevant experience; 1988, Litigation	\$675	.20	\$135.00
Roger Frankel	Partner, 23 years in position; 35 years relevant experience; 1971, Bankruptcy	\$725	160.80	\$114,767.50 ¹
Adam W. Goldberg	Partner, 2 years in position; 12 years relevant experience; 1994, Litigation	\$570	3.60	\$2,052.00
Jonathan P. Guy	Partner, 6 years in position; 13 years relevant experience; 1993, Bankruptcy	\$605	9.10	\$5,505.50
Raymond G. Mullady, Jr.	Partner, 13 years in position; 23 years relevant experience; 1983, Litigation	\$660	53.80	\$35,508.00
Garret G. Rasmussen	Partner, 24 years in position; 32 years relevant experience; 1974, Litigation.	\$645	93.70	\$60,436.50
Richard H. Wyron	Partner, 17 years in position; 27 years relevant experience; 1979, Bankruptcy	\$645	126.70	\$80,431.50 ²

¹ This amount reflects a reduction of \$725.00 (July 2006) and \$1,087.50 (September 2006) for the 50% discount of hourly rates for non-working travel.

² This amount reflects a reduction of \$1,290.00 (September 2006) for the 50% discount of hourly rates for non-working travel.

Debra L. Felder	Associate, 4 years in position; 4 years relevant experience; 2002, Bankruptcy	\$405	388.60	\$155,580.75 ³
Katherine Thomas	Associate, 3 years in position; 3 years relevant experience; 2003, Bankruptcy	\$325	49.60	\$16,120.00
Shannon Dawn Venegas	Associate, 2 years in position; 2 years relevant experience; 2004, Litigation	\$325	96.00	\$31,200.00
Christopher A. Britt	Summer Associate	\$235	54.00	\$12,690.00
Rachael M. Barainca	Legal Assistant	\$140	172.80	\$24,192.00
Debra O. Fullem	Senior Legal Assistant	\$210	76.30	\$16,023.00
Aurora M. Hamilton	Legal Assistant	\$190	10.10	\$1,919.00
Dmitry Iofe	Practice Support Project Technologist	\$180	6.00	\$1,080.00
John M. Mora	Litigation Support Manager	\$230	.30	\$69.00
Total			1,320.10	\$558,019.75
Blended Rate: \$422.71				

COMPENSATION BY PROJECT CATEGORY
JULY 1, 2006 THROUGH SEPTEMBER 30, 2006

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Case Administration	80.50	\$13,238.00
Compensation of Professionals-Orrick	34.90	\$7,183.50
Compensation of Professionals-Other	35.60	\$8,586.50
Due Diligence	.40	\$290.00
Litigation	1,087.10	\$498,352.50
Insurance	37.10	\$22,599.50
Retention of Professionals-Orrick	7.10	\$1,969.50
Retention of Professionals-Other	1.50	\$895.50
Travel Time (Non-Working)	17.90	\$4,904.75
TOTAL	1,320.10	\$558,019.75

³ This amount reflects a reduction of \$891.00 (July 2006) and \$911.25 (September 2006) for the 50% discount of hourly rates for non-working travel.

EXPENSE SUMMARY
JULY 1, 2006 THROUGH SEPTEMBER 30, 2006

<u>Expense Category</u>	<u>Total</u>
Duplicating and Facsimile	\$5,902.32
Experts' Publications	\$1,010.12
Meals	\$326.08
Parking	\$18.00
Postage/Express Delivery	\$2,340.77
Telephone	\$222.68
Travel – Airfare/Train	\$2,765.28
Travel - Taxi	\$526.97
Westlaw and Lexis Research	\$12,539.45
TOTAL	\$25,651.67

Orrick's Client Charges and Disbursements Policy effective January 1, 2006, are as follows:

a. ***Duplicating*** -- It is Orrick's practice to charge all clients of the Firm for duplicating at the in-house rate of 20¢ per page; however, Orrick has reduced the duplicating cost to 15¢ per page in order to comply with the Local Rules of this Court. This charge includes the cost of maintaining the duplicating facilities and the actual cost involved with respect to the duplication.

b. ***Long Distance Telephone and Facsimile Charges*** -- Orrick charges clients for long distance telephone calls but not for local telephone calls. Necessary mobile phone usage is reimbursed to professionals submitting an appropriate bill. Out-going facsimile transmissions are charged at \$1.50 per page, plus any long-distance calling cost, and there is no charge for incoming facsimiles.

c. ***Messenger and Courier Service*** -- It is Orrick's practice to use Federal Express or similar express mail delivery and third-party messenger services only in exigent circumstances (i.e., when needed to meet a deadline or when a next-day response from the recipient was necessary or beneficial to the case) and only when less costly than other available alternatives.

d. ***Overtime*** -- It is Orrick's practice to allow professionals and paraprofessionals working more than 3 hours of overtime to charge a meal to the appropriate client at a meal charge limited to \$7.50 per professional. It is Orrick's practice to allow professionals and support staff to charge a car service or cab to the appropriate client when working at least 2 hours of overtime. Orrick endeavored not to incur overtime charges unless necessary to benefit the case and in certain exigent circumstances. Orrick utilized secretarial assistance in connection with monitoring and updating case dockets and downloading, circulating and printing of pleadings filed in the case. Thus, certain charges were incurred by secretaries for overtime. (Note: These charges are at rates less than that charged by Orrick paralegals or other professional staff who may have otherwise performed this type of work.)

e. ***Computerized Research*** -- It is Orrick's practice to use computer-assisted legal research when it is efficient to do so. The charge to clients for Lexis and Westlaw are based on retail rates that do not include non-client specific volume discounts offered to Orrick. Use of fee based internet research services other than Lexis and Westlaw is charged at Orrick's cost. There is no separate charge for free internet research.

Respectfully submitted,

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: 

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Co-Counsel to David T. Austern, Future Claimants

Representative

Dated: November 16, 2006